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1. Statute 30-5-109 Rules & Regulations Governing Drilling Units

three (3) days prior to the date set for the hearing on the matter or proceeding a written objection to such matter or proceeding being heard before an examiner, or (e) if the matter or proceeding is for the purpose of amending, removing or adding a statewide rule or administrative fee.

30-5-107. Hearings; W.S. 30-5-105 through 30-5-107 subordinate to Administrative Procedure Act.

This act shall be supplemental but subordinate to the Wyoming Administrative Procedure Act (Original House Bill No. 196, 38th Legislature).

30-5-108. State oil and gas supervisor; appointment; duties; authority of commission to appoint other employees; payment of traveling and living expenses.

To enable the commission to carry out its duties and powers under the laws of this state with respect to conservation of oil and gas, and to enforce the rules and regulations so prescribed, the commission shall appoint one (1) chief administrator who shall be a qualified petroleum engineer or petroleum geologist with at least ten (10) years of experience in his respective field of expertise who shall be designated and known as the "State Oil and Gas Supervisor." Such supervisor shall hold office at the pleasure of the commission and shall receive a salary, to be fixed by the commission. The state oil and gas supervisor shall be charged with such duties as are delegated by the commission, and in addition thereto he shall investigate charges and complaints of violation of the laws of this state with respect to conservation of oil and gas, and any order, rules and regulation of the commission made in connection therewith, and report concerning all such violations to the commission. The commission may at any time, when it finds that the public interest will be served thereby appoint such other employees as are found to be necessary, to assist the commission and the state oil and gas supervisor in the discharge of their respective duties. All employees or assistants authorized by this act shall be paid their necessary traveling and living expenses when traveling on official business, at such rates and within such limits as may be fixed by the commission, subject to existing law.

30-5-109. Rules and regulations governing drilling units.

(a) When required, to protect correlative rights or, to prevent or to assist in preventing any of the various types of

waste of oil or gas prohibited by this act, or by any statute of this state, the commission, upon its own motion or on a proper application of an interested party, but after notice and hearing as herein provided shall have the power to establish drilling units of specified and approximately uniform size covering any pool.

(b) In establishing a drilling unit, the acreage to be embraced within each unit and the shape thereof shall be determined by the commission from the evidence introduced at the hearing but shall not be smaller than the maximum area that can be efficiently drained by one (1) well.

(c)(i) Subject to the provisions of this act, the order establishing drilling units for a pool or part thereof shall direct that no more than one (1) well shall be drilled to and produced from such pool on any unit, and that the well shall be drilled at a location authorized by the order, with such exception as may be reasonably necessary where the drilling unit is located on the edge of the pool and adjacent to a producing unit, or, for some other reason, the requirement to drill the well at the authorized location on the unit would be inequitable or unreasonable;

(ii) The state oil and gas supervisor, upon proper application therefor in accordance with the commission's rules, may grant exceptions from such authorized location for good cause shown, either (A) where written consents to the exception applied for have been given by all owners of drilling units directly or diagonally offsetting the unit for which the exception is requested and, as to lands for which drilling units have not been so established for such pool, by the owners of those lands which would comprise the directly and diagonally offsetting drilling units if the drilling unit order for the pool involved were extended to include such additional lands, in which case said supervisor may grant such exception immediately, or (B) if less than all of such owners have so consented to such exception, where the applicant shows to the satisfaction of said supervisor (by affidavit stating the time, place and manner of mailing, or such further proof as said supervisor may require) that notice of the filing of such application for exception has been mailed by registered or certified mail with return receipt to all of such owners failing to so consent and that fifteen (15) days have elapsed since the date of such mailing without any of such owners having filed with said supervisor written objections to the granting of such exception, in which case the

exception may be granted upon the expiration of such fifteen (15) day period;

(iii) If any of the owners specified in paragraph (ii) of this subsection, who have not in writing consented to the exception applied for, file written objections to the requested exception with the state oil and gas supervisor during said fifteen (15) day period following the applicant's mailing of the notice of filing, or if for any other reason said supervisor fails to grant such requested exception, then no well shall be drilled on the drilling unit involved except at the location authorized by the order establishing such unit, unless and until the commission shall grant such exception after notice and hearing upon the application as required by this act. Provided that in addition to any other notice required by W.S. 30-5-111(d) as amended, or any other provision of law or the commission's rules, the commission shall cause notice of any hearing before it on an application for such exception to be mailed by registered or certified mail with return receipt to each of the owners specified in paragraph (ii) of this subsection at least ten (10) days before the date of such hearing.

(d) The commission, upon application, notice, and hearing, may decrease the size of the drilling units or permit additional wells to be drilled within the established units in order to prevent or assist in preventing any of the various types of waste prohibited by this act or in order to protect correlative rights, and the commission may enlarge the area covered by the order fixing drilling units, if the commission determines that the common source of supply underlies an area not covered by the order.

(e) After an order fixing drilling units has been entered by the commission, the commencement of drilling of any well or wells into any common source of supply for the purpose of producing oil or gas therefrom, at a location other than authorized by the order, is hereby prohibited. The operation of any well drilled in violation of an order fixing drilling units is prohibited.

(f) When two (2) or more separately owned tracts are embraced within a drilling unit, or when there are separately owned interests in all or a part of the drilling unit, then persons owning such interests may pool their interests for the development and operation of the drilling unit. In the absence of voluntary pooling, the commission, upon the application of

any interested person, may enter an order pooling all interests in the drilling unit for the development and operation thereof. Each such pooling order shall be made after notice and hearing and shall be upon terms and conditions that are just and reasonable. Operations incident to the drilling of a well upon any portion of a unit covered by a pooling order shall be deemed for all purposes to be the conduct of such operations upon each separately owned tract in the unit by the several owners thereof. That portion of the production allocated or applicable to each tract included in a unit covered by a pooling order shall, when produced, be deemed for all purposes to have been produced from such tract by a well drilled thereon.

(g) Each pooling order shall provide for the drilling and operation of a well on the drilling unit, and for the payment of the cost thereof, as provided in this subsection. The commission is specifically authorized to provide that the owner or owners drilling or paying for the drilling or for the operation of a well for the benefit of all owners shall be entitled to all production from the well which would be received by the owner or owners, for whose benefit the well was drilled or operated, after payment of royalty as provided in the lease, if any, applicable to each tract or interest, and obligations payable out of production, until the owner or owners drilling or operating the well or both have been paid the amount due under the terms of the pooling order or order settling the dispute. In the event of any disputed cost, the commission shall determine the proper cost. The order shall determine the interest of each owner in the unit, and may provide that each owner who agrees with the person or persons drilling and operating the well for the payment by the owner of his share of the costs, unless he has agreed otherwise, shall be entitled to receive, subject to royalty or similar obligations, the share of the production of the well applicable to the tract of the nonconsenting owner. Each owner who does not agree, shall be entitled to receive from the person or persons drilling and operating the well on the unit his share of the production applicable to his interest after the person or persons drilling and operating the well have recovered the following:

(i) One hundred percent (100%) of each such nonconsenting owner's share of the cost of any newly acquired surface equipment beyond the wellhead connections (including, but not limited to, stock tanks, separators, treaters, pumping equipment and piping), plus one hundred percent (100%) of each such nonconsenting owner's share of the cost of operation of the well commencing with first production and continuing until each

such nonconsenting owner's relinquished interest shall revert to it under other provisions in this section, it being intended that each nonconsenting owner's share of such costs and equipment will be that interest which would have been chargeable to each nonconsenting owner had it initially agreed to pay its share of the costs of said well from the beginning of the operation; and

(ii) Up to three hundred percent (300%) of that portion of the costs and expenses of drilling, reworking, deepening or plugging back, testing and completing, after deducting any cash contributions received and up to two hundred percent (200%) of that portion of the cost of newly acquired equipment in the well, to and including the wellhead connections, which would have been chargeable to the nonconsenting owner if he had participated therein.

30-5-110. Agreements for waterflooding or other recovery operations, repressuring or pressure-maintenance operations, cycling or recycling operations; operation as a unit of 1 or more pools or parts thereof and pooling of interests in oil and gas therein; amendment of orders and agreements.

(a) An agreement for waterflooding or other recovery operations involving the introduction of extraneous forms of energy into any pool, repressuring or pressure-maintenance operations, cycling or recycling operations, including the extraction and separation of liquid hydrocarbons from natural gas in connection therewith, or for carrying any other method of unit or cooperative development or operation of one (1) or more pools or parts thereof, is authorized and may be performed, and shall not be held or construed to violate any of the statutes of this state relating to trusts, monopolies, or contracts and combinations in restraint of trade, and may be submitted to the commission for approval as being in the public interest or reasonably necessary to prevent waste or to protect correlative rights. Approval of such agreement by the commission shall constitute a complete defense to any suit charging violation of any statute of this state relating to trusts, monopolies and combinations in restraint of trade on account of such agreement or on account of operations conducted pursuant thereto. The failure to submit such an agreement to the commission for approval shall not for that reason imply or constitute evidence that such agreement or operations conducted pursuant thereto are in violation of laws relating to trusts, monopolies and combinations in restraint of trade.

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2. Article 4 Entry to Conduct Oil & Gas Operations

(xi) An address where additional information pertaining to the owner's interest in production may be obtained and questions answered. If information is requested by certified mail, an answer must be mailed by certified mail within thirty (30) days of receipt of the request.

ARTICLE 4 - ENTRY TO CONDUCT OIL AND GAS OPERATIONS

30-5-401. Definitions.

(a) As used in this act:

(i) "Commission" means the Wyoming oil and gas conservation commission and its authorized employees;

(ii) "Compensate" and "compensation" mean monetary payment or other consideration that may include, but is not limited to, the furnishing of materials, labor or equipment;

(iii) "Oil" and "gas" mean as defined in W.S. 30-5-101(a)(vii);

(iv) "Oil and gas operations" means the surface disturbing activities associated with drilling, producing and transporting oil and gas, including the full range of development activity from exploration through production and reclamation of the disturbed surface;

(v) "Oil and gas operator" means a person engaged in oil and gas operations, his designated agents, contractors and representatives;

(vi) "Reclamation" means the restoring of the surface directly affected by oil and gas operations, as closely as reasonably practicable, to the condition that existed prior to oil and gas operations, or as otherwise agreed to in writing by the oil and gas operator and the surface owner;

(vii) "Surety bond or other guaranty" means as defined in W.S. 30-5-101(a)(x);

(viii) "Surface owner" means any person holding any recorded interest in the legal or equitable title, or both, to the land surface on which oil and gas operations occur, as filed of record with the county clerk of the county in which the land is located. "Surface owner" does not include any person or

governmental entity that owns all of the land surface and all of the underlying oil and gas estate, or any person or governmental entity that owns only an easement, right-of-way, license, mortgage, lien, mineral interest or nonpossessory interest in the land surface;

(ix) "This act" means W.S. 30-5-401 through 30-5-410.

30-5-402. Entry upon land for oil and gas operations and nonsurface disturbing activities; notice; process; surety bond or other guaranty; negotiations.

(a) Any oil and gas operator having the right to any oil or gas underlying the surface of land may locate and enter the land for all purposes reasonable and necessary to conduct oil and gas operations to remove the oil or gas underlying the surface of that land. The oil and gas operator shall have the right at all times to enter upon the land for nonsurface disturbing activities reasonable and necessary to determine the feasibility and location of oil and gas operations to extract the oil and gas thereunder. The oil and gas operator shall first comply with the provisions of this act and shall reasonably accommodate existing surface uses. The oil and gas operator may reenter and occupy so much of the surface of the land thereof as may be required for all purposes reasonable and necessary to conduct oil and gas operations on the land.

(b) An oil and gas operator may enter to conduct nonsurface disturbing activities, including inspections, staking, surveys, measurements and general evaluation of proposed routes and sites for oil and gas operations. Prior to initial entry upon the land for nonsurface disturbing activities, the oil and gas operator shall provide at least five (5) days notice to the surface owner. Prior to any subsequent entry upon the land for nonsurface disturbing activities not previously discussed, the oil and gas operator shall provide notice to the surface owner.

(c) Entry upon the land for oil and gas operations shall be conditioned on the oil and gas operator providing the required notice, attempting good faith negotiations and:

(i) Securing the written consent or waiver of the surface owner for entry onto the land for oil and gas operations;

(ii) Obtaining an executed surface use agreement providing for compensation to the surface owner for damages to the land and improvements as provided in W.S. 30-5-405(a);

(iii) Securing a waiver as provided in W.S. 30-5-408; or

(iv) In lieu of complying with paragraph (i) or (ii) of this subsection, executing a good and sufficient surety bond or other guaranty to the commission for the use and benefit of the surface owner to secure payment of damages. The amount of the initial bond or other guaranty shall be determined pursuant to W.S. 30-5-404(b).

(d) Before entering upon the land for oil or gas operations, the oil and gas operator shall give to all the surface owners a written notice of its proposed oil and gas operations on the land. This notice shall be given to the surface owners at the address shown by the records of the county where the land is located at the time notice is given.

(e) The notice of proposed oil and gas operations shall sufficiently disclose the plan of work and operations to enable the surface owner to evaluate the effect of oil and gas operations on the surface owner's use of the land. The notice shall be given no more than one hundred eighty (180) days nor less than thirty (30) days before commencement of any oil and gas operations on the land. The notice shall include, but is not limited to:

(i) The proposed dates on which planned operations shall commence;

(ii) To the extent reasonably known at the time, the proposed facility locations and access routes related to the proposed oil and gas operations, including locations of roads, wells, well pads, seismic locations, pits, reservoirs, power lines, pipelines, compressor pads, tank batteries and other facilities;

(iii) The name, address, telephone number and, if available, facsimile number and electronic mail address of the oil and gas operator and his designee, if any;

(iv) An offer to discuss and negotiate in good faith any proposed changes to the proposed plan of work and oil and gas operations prior to commencement of oil and gas operations;

(v) A copy of this act.

(f) After providing the notice of proposed oil and gas operations to the surface owner, the oil and gas operator and the surface owner shall attempt good faith negotiations to reach a surface use agreement for the protection of the surface resources, reclamation activities, timely completion of reclamation of the disturbed areas and payment for damages caused by the oil and gas operations. At any time in the negotiation, at the request of either party and upon mutual agreement, dispute resolution processes including mediation or arbitration may be employed or the informal procedures for resolving disputes established pursuant to W.S. 11-41-101 et seq. may be requested through the Wyoming agriculture and natural resource mediation board.

(g) The oil and gas operator shall not engage in work, location of facilities and access routes or oil and gas operations substantially and materially different from those disclosed to the surface owner in accordance with this section, without first providing additional written notice disclosing proposed changes and offering to schedule a meeting to comply with the requirements of subsection (f) of this section.

30-5-403. Application for permit drill; additional notice.

(a) Before an application for a permit to drill is approved by the commission, the oil and gas operator shall file a statement with the commission, including the surface owner's name, contact address, telephone number and any other relevant and necessary contact information known to the oil and gas operator, certifying that:

(i) Notice of proposed oil and gas operations was provided to the surface owner;

(ii) The parties attempted good faith negotiations as required under W.S. 30-5-402(f) to reach a surface use agreement;

(iii) The oil and gas operator has met the conditions of W.S. 30-5-402(c), specifying how the conditions have been met.

(b) The surface use agreement between the oil and gas operator and the surface owner shall not be filed with the oil

and gas conservation commission and the terms of the agreement shall not be required as a condition of approval of an application for a permit to conduct oil and gas operations.

30-5-404. Surety bond or guaranty; approval; objections; release of surety bond or guaranty.

(a) The surety bond or other guaranty required under W.S. 30-5-402(c)(iv) shall be executed by the oil and gas operator, or a bonding company acceptable to the commission. Other forms of guaranty acceptable by the commission under article 1 of this chapter may be submitted by the oil and gas operator in lieu of a surety bond.

(b) The surety bond or other guaranty shall be in an amount of not less than ten thousand dollars ($10,000.00) per well site on the land unless the operations involve seismic activities. If the operations involve seismic activities, the surety bond shall be as provided in W.S. 30-5-104(d)(v)(A). As used in this subsection, seismic activities do not include waves or vibrations originating outside the property in question. At the request of the oil and gas operator, after attempted consultation with the surface owner the commission may establish a blanket bond or other guaranty in an amount covering oil and gas operations on the surface owner's land as identified by an oil and gas operator in the written notice required under W.S. 30-5-402(e), provided the blanket bond shall be in an amount not less than ten thousand dollars ($10,000.00) per well site on the surface owner's land. Neither the minimum amount of the bond or other guaranty specified or referenced in this subsection nor a blanket bond or other guaranty established by the commission is intended to establish any amount for reasonable and foreseeable damages. A permit to conduct geophysical/seismic operations issued under the authority of W.S. 30-5-104 shall include a statement that it shall not constitute authorization or permission to trespass on the surface estate. The commission shall not accept a surety bond for seismic activities for land which the oil and gas operator or seismic activity operator has no right to enter. The operator shall provide evidence of the right to enter derived from one (1) or more mineral interest owners.

(c) Within seven (7) days following receipt of a surety bond or other guaranty or the establishment of a blanket bond or other guaranty specified or referenced in this section, the commission shall notify the surface owner of receipt of the surety bond or other guaranty or the establishment of a blanket

bond or other guaranty based on the oil and gas operator's request and the written notice required under W.S. 30-5-402(e). The commission's notice shall also include a description of the amount and the type of the bond or guaranty received or established and provide to the surface owner a copy of the statement required under W.S. 30-5-403(a). If, at the expiration of thirty (30) days after receipt of the commission's notice by the surface owner, he makes no objection to the amount or the type of the surety bond or guaranty, the commission shall approve the surety bond or guaranty. If the surface owner objects in writing to the amount or the type of the surety bond or guaranty, the commission shall give immediate consideration to the surety bond or guaranty objected to and the accompanying papers filed by the oil and gas operator in support of the surety bond or guaranty amount and the type of surety bond or guaranty submitted or established, and the surface owner's objections, and the commission shall render a final decision as to the acceptability of the amount and type of the surety bond or guaranty and shall notify the parties of the decision. Proof of any additional surety bond or guaranty required by the commission shall be filed with the commission within thirty (30) days of the commission's final decision. Any aggrieved party may appeal the final decision of the commission to the district court in accordance with the Wyoming Administrative Procedure Act.

(d) Upon receipt or establishment of an acceptable surety bond or other guaranty by the commission as specified in subsection (b) of this section, and receipt of all required regulatory approvals to secure a drilling permit, the oil and gas operator shall be permitted entry upon the land to conduct oil and gas operations in accordance with terms of any existing contractual or legal right.

(e) Any surety bond, other guaranty or blanket bond, as applicable, for surface damages to particular lands will be released by the commission after:

(i) Compensation for damages has occurred;

(ii) Agreement for release by all parties;

(iii) Final resolution of the judicial appeal process for any action for damages and all damages have been paid; or

(iv) The oil and gas operator certifies in a sworn statement that the surface owner has failed to give the written

notice required under W.S. 30-5-406(a) or has failed to bring an action for damages within the required time period.

(f) Prior to the release of any applicable bond or other guaranty, the commission shall make a reasonable effort to contact the surface owner and confirm that compensation has been received, an agreement entered into or that the surface owner has failed to give written notice required or failed to bring a timely action for damages. The commission may, in its sole discretion, release any surety bond, other guaranty or blanket bond related to particular lands if the oil and gas operator shows just cause for the release.

(g) Any surety bond or guaranty executed under this section shall be in addition to the surety bond or guaranty required under W.S. 30-5-104(d)(i)(D) for reclamation and compliance with rules and orders of the commission.

30-5-405. Surface damage and disruption payments; penalty for late payment.

(a) The oil and gas operator shall pay the surface owner as follows:

(i) A sum of money or other compensation equal to the amount of damages sustained by the surface owner for loss of production and income, loss of land value and loss of value of improvements caused by oil and gas operations;

(ii) The amount of damages and method of compensation may be determined in any manner mutually agreeable to the surface owner and the oil and gas operator. When determining damages, consideration shall be given to the period of time during which the loss occurs;

(iii) The payments contemplated by this subsection shall only cover land directly affected by oil and gas operations. Payments under this subsection are intended to compensate the surface owner for damage and disruption. No person shall sever from the land surface the right to receive surface damage payments.

(b) An oil and gas operator who fails to timely pay an installment under any annual damage agreement negotiated with a surface owner is liable for payment to the surface owner of twice the amount of the unpaid installment if the installment

payment is not paid within sixty (60) days of receipt of notice of failure to pay from the surface owner.

30-5-406. Surface damage negotiations; notice of damages to oil and gas operator; right to bring action.

(a) If the oil and gas operator has commenced oil and gas operations in the absence of any agreement for compensation for all damages, a surface owner shall give written notice to the oil and gas operator and the commission of the damages sustained by the surface owner within two (2) years after the damage has been discovered, or should have been discovered through due diligence, by the surface owner.

(b) Unless both parties provide otherwise by written agreement, within sixty (60) days after the oil and gas operator receives notice of damages pursuant to subsection (a) of this section, the oil and gas operator shall make a written offer of settlement to the surface owner as compensation for damages. The surface owner seeking compensation for damages under this section may accept or reject any offer made by the oil and gas operator.

(c) If the surface owner who submits a notice as required under subsection (a) of this section receives no reply to his notice, receives a written rejection or counter offer or rejects an offer or counter offer from the oil and gas operator, the surface owner may bring an action for compensation for damages in the district court in the county where the damage was sustained.

30-5-407. Remedies cumulative.

The remedies provided by this act do not preclude any person from seeking other remedies allowed by law, nor does this act diminish rights previously granted by law or contract.

30-5-408. Waiver.

A surface owner may waive any rights afforded under this act by providing a written waiver of rights to the oil and gas operator, identifying which rights have been waived.

30-5-409. Statute of limitations for civil action.

A surface owner entitled to bring an action for damages under this act, or to seek any other remedy at law for damages caused

by oil and gas operations, shall bring such action within two (2) years after the damage has been discovered, or should have been discovered through due diligence, by the surface owner. The limitation on bringing an action under this section shall be tolled for a period of four (4) months, if a written demand for compensation for damages is timely submitted by the surface owner under W.S. 30-5-406.

30-5-410. Applicability.

This act shall not apply to a public utility regulated by the Wyoming public service commission or to a natural gas pipeline regulated by the federal energy regulatory commission.

ARTICLE 5 - GEOLOGIC SEQUESTRATION ACTIVITIES

30-5-501. Oil and gas activities at geologic sequestration sites.

Nothing in W.S. 35-11-313 shall be deemed to affect the otherwise lawful right of a surface or mineral owner to drill or bore through a geologic sequestration site as defined by W.S. 35-11-103(c)(xxi), if done in accordance with the commission rules for protecting the geologic sequestration site against the escape of carbon dioxide.

30-5-502. Certification of carbon dioxide incidentally stored during enhanced recovery operations.

(a) If there is production of oil, gas or both from enhanced recovery operations under a commission order entered pursuant to W.S. 30-5-110 utilizing the injection of carbon dioxide, the commission upon voluntary application by the unit operator, and after review of the operator's plan for accounting for the incidentally stored carbon dioxide, may enter an order recognizing the incidental storage of carbon dioxide occurring through the enhanced recovery operation and certifying the quantity of carbon dioxide being stored. An application or certification under this section does not subject the enhanced recovery operation to the requirements of W.S. 35-11-313 through 35-11-318 or require the operator to obtain a permit under those sections.

(b) Prior to the commission entering an order pursuant to subsection (a) of this section, the commission shall, in consultation with the department of environmental quality, promulgate rules establishing standards and procedures for the

3. Compulsory Pooling Summary by State

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Forced/Compulsory Pooling State Summary

State	Statutory Provision	Type	Description
Alabama	Ala. Code § 9-17-13	Risk-Penalty Approach	Alabama uses a risk-penalty approach, wherein any non-consenting landowner who does not agree to pay a prospective proportionate share of drilling and completion costs is subject to a risk penalty of 150 percent of the tract's share of the reasonable costs of drilling and production.
Alaska	Alaska Stat. § 31.05.100	Costs-Only Approach	Alaska uses a free-ride approach, by which non-consenting landowners may be charged for the costs of production attributable to their proportionate share only in the event that the drilling is successful. Alaska's scheme is also unique in that it allows landowners to drill on their individual parcels in the event that a voluntary pooling agreement cannot be reached and the conditions are not met for a compulsory pooling order. In this case, such a landowner would be allowed to extract only an amount of oil or gas proportionate to their share of the overall drilling area.
American Samoa	*NO Compulsory Pooling Laws*		
Arizona	Ariz. Rev. Stat. Ann. § 27-505	Costs-Only Approach	Arizona uses a free-ride approach, by which non-consenting landowners may be charged for the costs of production attributable to their proportionate share only in the event that the drilling is successful. This scheme is also unique in that it allows landowners to drill on their individual parcels in the event that a voluntary pooling agreement cannot be reached and the conditions are not met for a compulsory pooling order. In this case, such a landowner would be allowed to extract only an amount of oil or gas proportionate to their share of the overall drilling area.
Arkansas	Ark. Stat. Ann. § 15-72-304	Options-Given Approach	Non-consenting owners in Arkansas may either sell their interests in the unit to a participating landowner, lease their mineral interests to a member of the unit, or voluntarily pay for the costs of production as a working interest owner (become a consenting landowner).

California	*NO compulsory pooling law*		
Colorado	Colo. Rev.Stat. § 34-60-116	Risk-Penalty Approach	Colorado uses a risk-penalty approach, wherein any non-consenting landowner must pay for 100 percent of his share of equipment and operating costs for the well as well as 200 percent of his share of costs incurred in well exploration (this is the risk penalty). The Colorado scheme allows these costs to either be paid to participating landowners upfront, at which point the landowner receives dividends as if he had been a consenting owner from the start, or, to pay for these costs through a calculated royalty system.
Connecticut	*NO compulsory pooling law*		
Delaware	*NO compulsory pooling law*		
District of Columbia	*NO compulsory pooling law*		
Florida	*NO compulsory pooling law*		Florida has statutory rules regarding voluntary pooling and unitization; however, there is no forced or compulsory pooling law in the state. (Fla. Stat. § 377.28)
Georgia	*NO compulsory pooling law*		
Guam	*NO compulsory pooling law*		
Hawaii	*NO compulsory pooling law*		
Idaho	Idaho Code § 47-322	Options-Given Approach	Idaho law provides that a landowner whose land is subject to a mandatory pooling order (an order of commission according to the statute) may either: 1) Choose to participate in the costs and risks of production or 2) Choose to sell his leasehold interest to the participating owners for just compensation.

Illinois	*NO compulsory pooling law*		
Indiana	Ind. Code § 14-37-9-2; Ind. Code § 14-37-9-3	Costs-Only Approach	If an integration order is entered, the operator may charge each interested owner only for the actual reasonable expenditures required for the development of the resource.
Iowa	*NO compulsory pooling law*		
Kansas	Kan. Rev. Stat. § 55-1305	Risk-Penalty Approach	Kansas has strict requirements that must be met before a compulsory pooling order will take effect; however, once granted, the non-consenting landowner may be required to pay up to 100 percent of his share of the aboveground drilling costs and 300 percent of his share of the physical drilling and underground pipeline costs.
Kentucky	Ky. Rev. Stat. § 349.085	Options-Given Approach	Kentucky's compulsory pooling laws pertain primarily to coal bed methane gas pools. Non-consenting owners have the option to either sell or lease their mineral interest to a participating owner OR share in the proceeds from the pool minus 200 percent of his share of the total production costs.
Louisiana	La. Rev. Stat. Ann. 30:10	Risk-Penalty Approach	
Maine	NO compulsory pooling law		
Maryland	NO compulsory pooling law		
Massachusetts	NO compulsory pooling law		
Michigan	Mich. Comp. Laws Ann. § 324.61513	Combination Costs-Only/Risk-Penalty	Michigan's compulsory pooling law gives a non-consenting owner a cost-free royalty equal to 1/8 of their interest. The remaining 7/8 interest is subject to a risk-penalty amounting to 100-300 percent of his share of the costs of development.

Minnesota	Minn. Stat. § 93.515		Minnesota's statutory guidelines do not specifically allow for mandatory pooling; however, the statute indicates that such rules "may" be adopted by the state commissioner of natural resources.
Mississippi	Miss. Code Ann. § 53-3-7	Risk-Penalty Approach	Non-consenting owners in Mississippi are required to pay, from their share of profits from the well, 100 percent of their share of any new surface equipment, 250 percent of their share of the reasonable costs as provided in the pooling order, 250 percent of their share of any new subsurface well equipment, and 100 percent of their share of the cost of operation of the well commencing with first production.
Missouri	Mo. Rev. Stat. § 259.110	Costs-Only Approach	The non-consenting owner's share of the production costs are carried by the operator and the owner is only responsible for the proportionate share of the costs of drilling if the well is successful.
Montana	Mont. Code Ann. § 82-11-202	Risk-Penalty Approach	A non-consenting landowner in Montana may be required to pay up to 100 percent of his share of the costs of the operation of the well, plus 100 percent of his share of any equipment acquired to drill and operate the well, plus up to 200 percent of the costs of staking and well-site preparation.
Nebraska	Neb. Rev. Stat. § 57-909	Risk-Penalty Approach	The Nebraska statute describes a complicated risk-penalty scheme that calculates the risk-penalty owed by non-consenting owners according to the depth of the well at issue. Non-consenting owners, under the Nebraska scheme, may have to pay from 200-500 percent of their share of the costs of drilling and production applicable to his interest in the well.
Nevada	Nev. Rev. Stat. § 522.060	Risk-Penalty Approach	Under the Nevada compulsory pooling law, non-consenting landowners may be forced to pay a penalty of up to 300 percent of the costs of production, to be calculated based on the cost of extraction from that owner's land.
New Hampshire	*NO compulsory pooling law*		

New Jersey	*NO compulsory pooling law*		
New Mexico	N.M. Stat. Ann. § 70-2-17	Risk-Penalty Approach	New Mexico's compulsory pooling law requires non-consenting owners to pay their share of production costs, plus a risk-penalty of up to 200 percent of these costs, out of that owner's share of the profits from the drilling unit.
New York	New York Environmental Conservation Law § 23-0901	Options-Given Approach	The New York statutory scheme enumerates a list of compensation and penalty options for non-consenting landowners.
North Carolina	N.C. Gen. Stat. § 113-393	Costs-Only Approach	North Carolina currently operates as a "free ride" statute; however, the state has recently established a commission to review and recommend updates to the state's statutory scheme. No legislation is currently pending in North Carolina.
North Dakota	N.D. Cent. Code, § 38-08-08	Risk-Penalty Approach	North Dakota's statutory scheme requires a non-consenting owner to pay a risk penalty of 50-200 percent of his share of the costs of drilling; this amount varies according to whether or not the non-consenting owner agrees to lease his or her mineral rights. Owners of un-leased properties pay a greater risk-penalty.
Northern Marina Islands	*NO compulsory pooling laws*		
Ohio	Ohio Rev. Code Ann. § 1509.27	Risk-Penalty Approach	Under the Ohio scheme, the operator or owner of a well (or members of a voluntary drilling unit) who bears the costs and risks of production may deduct from a non-consenting owner's share of the well's profits his share of the costs of operating the well plus a risk penalty of up to 200 percent of these costs.

Oklahoma	Okla. Stat. tit. 52, § 87.1	Options-Given Approach	Oklahomans who receive a forced pooling order may choose to either receive enumerated royalty payments from the operator of the well (with no costs deducted) or may choose to participate in the operation of the well, paying operating costs up front and receiving a greater share of the well's profits.
Oregon	Or. Rev. Stat. § 520.220	Options-Given Approach	The Oregon statute stipulates that tracts of land may be integrated based on terms that are "just and reasonable" to be determined by the Department of Geology and Mineral Industries and laid out in the compulsory pooling order.
Pennsylvania	Pa. Cons. Stat. tit 58, § 408	Options-Given Approach*	Pennsylvania's statutory scheme provides for several different alternatives for non-consenting landowners, including the option to participate in the operation of the well (paying some up-front costs); the option to lease their rights to participating landowners; and the option to accept royalty payments minus the costs of production and a risk-penalty assessment.
Puerto Rico	*NO compulsory pooling laws*		
Rhode Island	*NO compulsory pooling law*		
South Carolina	S.C. Code Ann. § 48-43-340	Options-Given Approach	South Carolina's statutory scheme requires the non-consenting owner either lease his interest to participating landowners or participate in the costs and risks of production in a manner to be determined by the integration order.
South Dakota	S.D. Codified Laws § 45-9-33	Options-Given Approach	The South Dakota statute allows non-participating owners to participate in the risk and cost of the drilling or may elect to surrender his or her leasehold interest to the participating owners on some "reasonable basis and for a reasonable consideration", to be determined by the pooling order.

Tennessee	Tenn. Code Ann. § 60-1-202	Options-Given Approach	Under the Tennessee statute, a forced integration order may be entered if more than fifty percent of landowners with interests in the pool request such unitization. The board is to set just compensation mechanisms for non-consenting owners.
Texas	Tex. Natural Resources Code § 102.052	Risk-Penalty Approach	Under the Texas statute, any non-consenting owner who is subject to a compulsory pooling order who elects not to pay a proportionate share of the operating costs and risks of production will be subject to a risk-penalty fee of up to 100percent of his share of the costs of production (effectively doubling his share of cost).
U.S Virgin Islands	*NO compulsory pooling laws*		
Utah	Utah Code Ann. § 40-6-6.5	Risk-Penalty Approach	Non-consenting owners in Utah may be required to pay up to 100 percent of their share of the costs of drilling and production; additionally, they may be accessed a risk-penalty of not less than 150 percent nor greater than 300 percent of their share of the costs of staking the location, well-site preparation, rights-of-way, rigging up, drilling, reworking, recompleting, deepening or plugging back, testing, and completing, and the cost of equipment in the well.
Vermont	29 Vt. Stat. Ann. § 525	Risk-Penalty Approach	In Vermont, non-consenting owners may be compelled to pay his or her share of costs out of his or her share of production, plus a supervision, risk, and interest assessment (a risk-penalty)of up to 300 percent of that owner's share of the costs.
Virginia	Va. Code Ann. § 45.1-361.21Bottom of Form	Options-Given Approach	Non-consenting owners in Virginia may be accessed a risk-penalty fee of between 200 and 300 percent of their share of the costs of production.
Washington	*NO compulsory pooling law*		

West Virginia	W. Va. Code § 22C-9-7	Options-Given Approach *	In West Virginia, non-consenting landowners may either: 1) sell their mineral interests to participating landowners or 2) may elect to participate on a limited basis (without sharing full costs) on terms to be determined by the board entering the order.
Wisconsin	*NO compulsory pooling law*		
Wyoming	Wyo. Stat. § 30-5-109	Risk-penalty approach	Wyoming uses a risk-penalty approach, through which non-consenting owners may be required to pay their full share of the costs of production, plus up to 300 percent of their share of the costs and expenses of drilling, reworking, deepening or plugging back, testing and completing. In addition, non-consenting owners may be required to pay up to 200 percent of their share of any new equipment costs.
*Pennsylvania and West Virginia include statutory language that exempts compulsory pooling laws in the the Marcellus Shale region. Statutory provisions in those states apply only to mineral resources outside of the Marcellus Shale formation.			

4. IOGCC Statutory Pooling

Statutory Pooling of Mineral Interests Within a Large Horiztonal Spacing Units

Statutory or "forced" pooling of mineral interests within a large spacing unit raises issues related to providing all mineral owners a just and fair opportunity to recover their minerals. Permitting multiple wells within a drilling and spacing unit can complicate these issues.

1. If multiple wells are initially permitted in a unit and statutory pooling is sought, when must a mineral owner elect whether to participate in each well?

Issues: Requiring a mineral owner to make an election to participate in multiple wells before the first well is drilled carries risks related to changing economic conditions over the time the wells will be drilled (which could be years).

Participating in multiple horizontal wells may be prohibitively expensive for some owners. Depending on the statutory "risk penalty" imposed, a well may never reach payout for non-participating owners.

Conversely, allowing an owner to evaluate the performance of early wells and then participate in later wells without any risk penalty may be inequitable to participating owners who bore the capital risks on the early wells.

Questions:

A. Should numeric or temporal limits on the wells for which non-participating owners must pay a risk penalty be imposed? For example, should a non-participating owner be given a second chance to participate after the first "X" number of wells has been completed in the unit? Or, a non-participating owner would be subject to risk penalties on all wells drilled within "X" months of entry of a pooling order, but would be given another opportunity to participate in all later-drilled wells.

B. Should non-participating owners be allowed to make a separate election on every well drilled? If so, should substantial risk penalties be imposed for non-participation, so that a non-consenting owner would never back into a working ownership interest, but would not be precluding from participating in one or more later-drilled wells?

State approaches:

- Ohio: The applicant receives 200% reasonable interest charge on the initial well and 150% on each subsequent well.
- Utah: An opportunity to join in the well prior to entry of an order allowing for cost recovery is required; consent is per well rather than per drilling unit. However, a current case is forcing the review of this policy and it has recently been argued that the offer must be prior to the drilling of the well.
- Colorado: Colorado has imposed either temporal or numeric limits on the wells for which an owner will be subject to risk penalties as a result of electing not to participate when multiple horizontal wells are permitted with a spacing unit. A non-consenting owner must be allowed another opportunity to participate in any additional wells drilled after the initial number of wells or time limit (typically two years) is reached.
- Oklahoma: Owners electing to participate pursuant to a forced pooling order make such an election on a unit basis. Statutory amendments are pending which would alter the unit pooling concept as it would apply to proposals for subsequent horizontal wells pursuant to forced pooling orders.

From: IOGCC

- North Dakota: Election to participate is only binding if the well is spud on or before 90 days of election.
- New Mexico: Infill wells within a pooled unit may be proposed by the operator subsequent to the completion of the initial well. Pooled working interest owners are required to be notified of the infill well proposal and be provided a schedule of estimated well costs. A pooled working interest owner then has 30 days to participate and pay its share of well costs to the operator. If a pooled working interest owner elects not to participate in the infill well, that owner is subject to the same risk penalty established for the initial well.

2. Minimum ownership percentage required to pool by statute.

Issue: If any mineral owner within a spacing unit may statutorily pool interests, an owner with a small percentage interest in a unit potentially could permit a well and compel majority owners to participate in that well or pay risk penalties that would exceed the minority owner's total costs.

Questions:

A. Should an owner with a minority interest in a unit be allowed to pull a drilling permit and seek to statutorily pool owners with larger interests in the unit?

B. Should it matter if the minority interest owner is prepared to begin development and the majority owners are not prepared to commence development?

State approaches:

A. Many states do not require a minimum percentage ownership to pool.
- North Dakota: Any "interested person" can file an application pooling all interests in a spacing unit.
- New Mexico: Operator must own in an interest in some portion of the project area, but no minimum percentage is required.
- Arkansas: No minimum required for an interested owner to pool an established drilling unit, but 50% interest in the right to drill and produce required to pool an exploratory drilling unit.

B. Some states require a minimum percentage ownership to pool.
- Virginia: Any owner who is authorized to drill and operate a well may pool, however except in the case of coalbed methane wells, operators must have the right to conduct operations on at least 25% of the acreage included in the unit.
- Nevada: Plan of unitization to pool requires minimum of 62.5% vote by owners of record.
- See also: Ohio (65%), New York (60%), Kansas (63% working interest owner approval and 75% royalty interest approval), Alabama (majority if risk compensation fee, no minimum if no fee).

3. What information must be provided to mineral owners prior to statutory pooling?

Issue: Prior to statutory pooling, an operator typically must provide other working interest owners and unleased mineral owners within a spacing unit information about drilling costs to allow them to make informed decisions about participating in proposed wells. Development in a large unit may span many months or years, during which drilling costs or commodity prices may change.

Questions:

A. For how long should an AFE be "valid" or "current"?

B. Must an AFE consider cost of building infrastructure to move product to market?

C. Should an operator be required to disclose its expected development plan, including timing of drilling proposed wells?

D. Should an operator be required to disclose its own economic analysis for a well?

State approaches:

A. Many states require (at least in practice) a current AFE prior to statutory pooling.
- Utah: No statute, but case law requires "a knowing determination whether to participate" and in practice this has resulted in the use of a current AFE.
- Virginia: Requires information including an estimate of production over the life of the well or wells, and, if different, an estimate of the recoverable reserves of the unit.

4. What is the appropriate risk penalty for non-consenting owners in large spacing units permitted for multiple wells?

Issue: Statutory pooling provisions typically impose a "risk penalty" on non-consenting owners, who do not bear up-front capital risk of drilling a well. Risk penalties may be a fixed percentage or may be a range within which the regulatory agency can set the penalty in each case. The capital risk borne by participating owners for a given well arguably varies depending on the location, anticipated costs, development history, and other factors.

Questions: Should risk penalties for horizontal wells for unconventional development differ from conventional wells?

State approaches:

A. In some states, the risk penalty is fixed by statute.
- Colorado: Statutory risk penalty is 200% for all circumstances, with no discretion afforded the Commission.

B. In some states, the risk penalty is determined within an established range.
- Utah: The Board has discretion to set the penalty within a given range under the law: 150% to 400%. The upper limit was recently increased from 300%.

C. In some states, the risk penalty differs based on the status of the interest owner.
- North Dakota: A 50% risk penalty is assessed on unleased mineral interest owners, while a 200% risk penalty is assessed on unleased working interest owners.

5. Timing of completion of proposed wells.

Issue: Correlative rights of mineral owners within a large unit in which mineral interests have been pooled may be harmed if the operator fails to timely and prudently develop the unit.

Questions:

A. Should there be a regulatory requirement to drill an initial well or to continue development of the unit?

B. Should an operator of a large, multi-well unit be required to submit a detailed development plan? If so, what should be included in the development plan (e.g., the number and size of surface locations; reclamation requirements)?

C. What are the regulatory consequences of failing to abide by a required development plan?

D. If the operator who spaced and pooled the unit is not proceeding with development, may another owner within the unit commence operation?

E. If an operator does not proceed with development on a reasonable time-frame, should the unit be dissolved?

F. If one or more producing wells have been completed in the unit, should proceeds from those wells be re-allocated if the unit is dissolved or modified?

State approaches: (See I.6 above for expirations related to APDs)

A. Many states set time limits on pooling orders linked to either commencement of work, drilling, or completion.
   - New Mexico: Compulsory pooling orders require that the well be drilled within one year from the date the pooling order was issued, unless an extension is approved (usually 90 days). Pooling orders also require that the well be drilled and completed within 120 days of commencement thereof. Extensions are granted for good cause.
   - See also: Alabama (forced pooling orders expire if a well is not spud within six months), Arkansas (one year to complete or forced pooling expires), North Dakota (election to participate only binding if well is spud on or before 90 days of election).

B. Other states have case by case time limits or no requirement to drill or complete a well in a certain time frame under state law.
   - Oklahoma: Authority to commence a well pursuant to a forced pooling order, and thus causing an effect under the order on the interests of the owners impacted by it, is limited by the time period provided by the order. If operations are not commenced in the designated timeframe, the order shall terminate except as to the payment of cash bonuses.
   - Wyoming: No requirement to drill or complete a well in a certain time frame.

6. Joint Operating Agreements

Issue: To the extent a state regulatory agency establishes a default spacing unit size and determines which owner (among many) will conduct operations in the unit, it may be inequitable to subject other working interest owners to statutory risk penalties for electing to go non-consent.

Question: If all working interest owners within a unit do not voluntarily pool their interests, should the state participate in establishing terms under which development will proceed, by way of a default joint operating agreement?

State approaches:

- Arkansas has adopted a uniform operating agreement. http://www.aogc.state.ar.us/JOA_Archive.htm.

7. Payout to non-consenting working interest owners.

Issue: Unleased mineral owners who are pooled by statute are compensated in different ways under different states' statutes. In some states, those unleased mineral owners will back into a full working ownership once their share of costs plus risk penalties has been paid to the consenting owners. Being a full working interest owner may expose these owners to liability associated with operations at the well. Additionally, once pooled, arguably a surface location could be placed on their land without their consent.

Questions:

1. Should unleased mineral owners who "back into" a working owner interest be treated the same as other working interest owners?

2. Should unleased mineral owners who are pooled by statute be exempt from allowing surface locations on their property without their consent?

State approaches:

- Utah: Provides for paying the average of the private lands owners royalty to non-consenting working interest owners. This payout calculation excludes federal and Indian lands.
- Colorado: A non-consenting unleased mineral owner receives a 1/8 royalty on production and the risk penalty is paid out of the value of production of its remaining 7/8 interest. Upon payout, the unleased owner backs into a full working interest ownership. Colorado currently has no provisions limiting such an owner's liabilities once it backs into a full working owner interest. Whether a surface location could be placed on the unleased mineral owner's property as a result of a statutory pooling is an unsettled question.
- Ohio: Non-participating working interest owners receive compensation in accordance with the applicant's JOA. Unleased mineral owners receive a 1/8 landowner royalty on gross proceeds and a 7/8 share of net proceeds from production after the applicant receives 200% reasonable interest charge on the initial well and 150% on each subsequent well.

8. Unwinding a unit that has not been fully developed.

Issue: Waste and harm to correlative rights may result if a large, multi-well unit is not timely developed. At the same time, if one or more producing well was developed and proceeds distributed, dissolving the unit can be extremely complicated.

Questions:

A. Should a spacing or pooling order for large unconventional units contain specific provisions for shrinking or unwinding the unit if development stalls?

B. Can another working interest owner take over operation of the unit if the operator who spaced and pooled the lands fails to timely develop the unit?

C. If development stalls but some proceeds have been paid on a unit basis, how should owners whose minerals were produced be compensated if the unit is either reduced or eliminated?

State approaches:

A. Several states would require a Commission or Board order to unwind a drilling and spacing unit and pooling orders.

- Utah: A unit could be unwound by a Board order based on evidence regarding the resource and drainage area. This would be difficult if sharing has been previously established on a certain size. Instead of unwinding, drilling units usually continue with modifications to allow infill drilling.
- See also: Illinois (all interests pooled until the well is plugged), Oklahoma (Commission pooling order remain in effect as long as subsequent wells are proposed and commenced pursuant to the terms of the order).

North Dakota

Identification of potential issues, statutory conflicts

- Number of wells allowed within unit
  - North Dakota Administrative Code (NDAC) Section 43-02-03-18
    - Allows only one well per drilling unit
  - Unlimited wells allowed after notice and hearing on spacing units
    - Currently some orders allow up to 28 wells / spacing unit

- Unit size
  - NDAC Section 43-02-03-18
    - Vertical or directional not deeper than Mission Canyon Formation
    - 40-acre drilling unit
    - Vertical or directional deeper than Mission Canyon Formation
    - 160-acre drilling unit
    - Horizontal wells not deeper than Mission Canyon Formation
    - 320-acre or 640-acre drilling unit
    - Horizontal wells deeper than Mission Canyon Formation
    - 640-acre drilling unit
  - North Dakota Century Code (NDCC) Section 38-08-07
    - Commission shall set spacing units
    - To prevent waste, avoid drilling unnecessary wells, or to protect correlative rights
    - Size and shape to result in efficient and economical development

- Minimum percentage ownership required to pool
  - NDCC Section 38-08-08
    - Any "interested person" can file an application pooling all interests in a spacing unit
    - No minimum percentage needed to pool
    - Two or more separately owned tract, not voluntarily pooled, must be pooled

- Timing of WIO and unleased owner's decisions to participate or be pooled
  - 50% risk penalty assessed on unleased MIO—NDAC Section 43-02-03-16.3
    - Must make "good-faith" offer to lease
    - Operator must notify the MIO that they intend to assess a risk penalty
    - No hearing necessary to obtain risk penalty if follow rule
  - 200% risk penalty assessed on unleased WIO—NDAC Section 43-02-03-16.3
    - Operator must notify the WIO that they intend to assess a risk penalty
    - No hearing necessary to obtain risk penalty if follow rule

- Timing of completion of proposed wells
  - Risk Penalty—NDAC Section 43-02-03-16.3
    - Election to participate only binding if well is spud on or before 90 days of election
  - Permits issued—NDAC Section 43-02-03-16
    - One year expiration unless drilling below surface casing

- What is pooled and when
  - All interests are pooled for the development and operation of the spacing unit—NDCC Section 38-08-08

Wyoming

Identification of potential issues, statutory conflicts

- Number of wells allowed within unit
  - Wyoming Statute 30-5-109 (b) allows for the drilling of one well in establishing a drilling and spacing unit by hearing. After establishing a drilling and spacing unit, operators may file an application for additional wells in the unit and must show, by engineering and geologic exhibits, that the additional wells are necessary to drain the minerals within the drilling and spacing unit. The evidence must show that the drainage of the combined wells is equal to or less than the area of the spacing unit.

- Unit size
  - Wyoming's statutes do not limit the size of a drilling unit and currently 1280 acres is the largest drilling and spacing unit (horizontal wells). The "default" spacing for horizontal wells is 640 acres by rule (Chapter 3, Section 2) with a 660 ft setback to the exterior boundary of the spacing unit.

- Minimum percentage ownership required to pool
  - None

- Timing of WIO and unleased owner's decisions to participate or be pooled
  - There are no timing constraints but a hearing and Order is necessary to pool separately owned tracts. Parties who are pooled may elect to join in the drilling of the well up to the spud date.

- Timing of completion of proposed wells
  - After the Order for spacing is approved, there are no deadlines for the drilling of the initial well and any interest owner may file a drilling permit within the spaced area, ie Company "A" applies for the drilling and spacing unit but Company "B" files a drilling permit, which is allowed.

- What is pooled and when
  - The Force Pooling Order is specific to a formation and is well specific. The party drilling the rule can recover certain costs before the non-consenting party joins in the production of the well including 100% of production equipment costs, 100% of operating costs of the well, 200% of downhole equipment costs and up to 300% of the costs for drilling the well.